UNITED NATIONS **S**

Security Council

Distr.
GENERAL

S/1994/811
8 July 1994

ORIGINAL: ENGLISH

LETTER DATED 8 JULY 1994 FROM THE SECRETARY-GENERAL ADDRESSED TO THE PRESIDENT OF THE SECURITY COUNCIL

I have the honour to convey the attached report addressed to me on 6 July 1994 by the Co-Chairmen of the Steering Committee of the International Conference on the Former Yugoslavia.

The report refers only to Bosnia and Herzegovina, without entering into other questions within the purview of the Conference.

I should be grateful if you would bring this information to the attention of the members of the Security Council.

(Signed) Boutros BOUTROS-GHALI

Annex

Report of the Co-Chairmen of the Steering Committee on the activities of the International Conference on the Former Yugoslavia

I. INTRODUCTION

1. The International Conference on the Former Yugoslavia (ICFY) was established in August 1992 to remain in being until a final settlement of the problems of the former Yugoslavia has been achieved. Its seat is at the United Nations Office at Geneva. The Co-Chairmen of the Conference are the Secretary-General of the United Nations and the Head of State/Government of the Presidency of the European Union. The activities of the Conference are supervised by a Steering Committee co-chaired by representatives of the Secretary-General of the United Nations and the Presidency of the European Union. The current Co-Chairmen of the Steering Committee are Lord Owen and Mr. Thorvald Stoltenberg. The day-to-day activities of the Conference are carried out by the Co-Chairmen of the Steering Committee and in working groups and task forces. Highlights of the activities of the Conference from January to June 1994 are provided below.

II. STEERING COMMITTEE OF THE INTERNATIONAL CONFERENCE ON THE FORMER YUGOSLAVIA

2. Meetings of the Steering Committee of the Conference were held on 2 February, 30 March and 16 May 1994. Issues discussed included: reports by the Co-Chairmen and the Chairpersons of working groups; review of developments; humanitarian issues; and budgetary matters.

3. On 16 May, the budget of the Conference for the six-month period from 1 June 1994 to 30 November 1994 was laid before the Steering Committee, as was a consolidated financial statement (see appendix I).

III. CONFIDENCE-BUILDING AND SECURITY ISSUES

A. Ad hoc working group

4. An ad hoc working group on confidence-building measures in respect of Bosnia and Herzegovina held two meetings at Sarajevo, on 25 and 26 January and on 5 February 1994. Both meetings were held at the airport and were chaired by Brigadier-General Bo Pellnäs of the International Conference on the Former Yugoslavia. The delegations of the parties were led by Prime Minister H. Silajdzic, Professor N. Koljevic and Mr. M. Akmadzic. The following results were achieved:

(a) Restoration of power lines. On 26 January an agreement was signed whereby the parties accepted that six major power lines/systems should be

restored immediately. The parties also agreed not to destroy any existing system or to prevent any efforts to repair power lines.

(b) Hot lines. The working group reviewed existing communication lines between the Army of Bosnia and Herzegovina and the Croatian Defense Council (HVO), as well as between HVO and the Bosnian Serb Army (BSA). During the second meeting BSA and the Army of Bosnia and Herzegovina agreed to establish communication links.

(c) Regular meetings between commanders. The parties agreed that such meetings should take place at the army level and that the first meeting should take place on 25 February, to be chaired by General Rose of UNPROFOR.

B. Consultations with Foreign Ministers of neighbouring countries

5. With a view to promoting confidence-building and security measures in the region, the Co-Chairmen of the Steering Committee arranged a consultation with the Foreign Ministers of neighbouring countries, which was held at the United Nations Office at Geneva on 9 February 1994. The meeting, which was of an informal character, reviewed the economic situation in the area, with particular regard to the consequences of sanctions on the economies of neighbouring countries. It also discussed the possibility of future cooperation on confidence-building and security issues. It was decided that further meetings would be held between the Co-Chairmen and the Foreign Ministers of neighbouring countries to discuss these issues and that the Co-Chairmen would commission a study on confidence-building and security measures.

C. Study on confidence-building and security measures

6. Accordingly, a study was commissioned from the Institute for Security Studies of the Western European Union and submitted to the Co-Chairmen on 22 April 1994. The study examines how far measures for regional stability involving both former Yugoslav successor States and their neighbours - and drawing on the experience of confidence- and security-building measures and arms control developed in the Conference on Security and Cooperation in Europe (CSCE) and the Treaty on Conventional Forces in Europe - could be applied in post-conflict former Yugoslavia to consolidated and reinforce a political settlement. In addition, it examines what regional arms transfer control regimes could be developed to assist stability in the post-conflict situation. It includes an examination of the role of various international organizations to see what contribution they could make to the negotiation and implementation of such measures.

7. The study recalls that at the CSCE Council meeting at Rome on 30 November and 1 December 1993, CSCE Foreign Ministers decided to examine the possible contribution of CSCE to security in south-eastern Europe through arms control, disarmament and confidence-building. This idea was linked to the functions of the CSCE Forum for Security Cooperation (FSC), which was given the possibility by the CSCE Helsinki Document 1992 (A/47/361-S/24370, annex, chap. V, para. 46,

sect. 6) of setting up negotiations on regional measures, including, where appropriate, reductions or limitations of armaments.

8. The study sets out five elements to be included in any process aimed at progressively achieving regional stability: three groups of confidence- and security-building measures and a two-stage arms control process. The first group of confidence- and security-building measures are those which can be used for stabilizing cease-fire agreements. The second group are those introduced to reinforce a political settlement. The third group of confidence- and security-building measures are those which could in the longer term and on a larger scale, enhance stability in the Balkans. The two rounds of arms control proposed include a first set of measures to limit the growth of armed forces in former Yugoslavia and the second round to impose ceilings, and possibly reductions, in order to prevent an arms race and the emergence of new threats.

1. Confidence- and security-building measures

(a) Measures for the stabilization of a cease-fire

9. In this category, the study lists the following elements:

(a) Agreement on the technical terms of a cease-fire (timing, area, forces affected and weapon categories);

(b) Measures of constraint, including:

(i) The disengagement of forces;

(ii) The establishment of a demilitarized zone 2 kilometres wide (1 kilometre on each side of the confrontation line);

(iii) The freezing of troop movements (and ultimately troop reductions) within a zone extending to 10 kilometres on either side of the confrontation line;

(iv) The withdrawal of heavy weapons from wider zones (10 kilometres from the confrontation line for mortar and air defence systems, 20 kilometres for tanks and artillery);

(c) Supervision of the cease-fire by United Nations Protection Force (UNPROFOR) and European Union (EU) monitors, including the right of inspections by UNPROFOR of all relevant military and paramilitary units and exclusive control of the demilitarized zone by UNPROFOR;

(d) Establishment of joint commissions, chaired by an UNPROFOR representative, to investigate any cease-fire violations.

(b) Measures to reinforce a political settlement

10. The following elements are listed in this category:

(a) The disarming and disbanding of irregular forces and constraints on paramilitary forces;

(b) The furthering of transparency by an exchange of military information (concerning the number and strength of military units, their location, weapons systems and equipment, and command structures);

(c) Wider constraints on military activities (movements, deployment and exercises);

(d) The establishment of direct communications links (hot lines) between relevant headquarters;

(e) The establishment of joint mediating teams (or the strengthening of existing joint commissions).

11. The study suggests that the above measures be supplemented by wider measures to be introduced at the time of a political settlement:

(a) The limitation of military flights and provision for international control of air traffic;

(b) An aerial observation system consisting of overflights by a third party (which in the longer term could be turned into an Open Skies regime for the former Yugoslavia);

(c) The reinforcement of confidence through the exchange of observers of military activities;

(d) The verification of stabilization through both regular and challenge inspections (notably with regard to heavy weapons sites and storage facilities). Starting from the experience already gained by UNPROFOR in the monitoring of heavy weapons, these should be grouped in areas where redeployment would be difficult and take time.

(c) Wider confidence- and security-building measures involving neighbouring States

12. According to the study, this third group of confidence- and security-building measures include those which, in the longer term, should cover the whole Balkan region. They should be considered after a period of some months of peace following the political settlement. Their primary aim would be to bring the five successor States of the former Yugoslavia to accept the confidence- and security-building measures already agreed to in CSCE, as set out in the Vienna document 1992, but they would need to go beyond this in order to satisfy the security needs of all the Yugoslav successor States and their neighbours, and would therefore have to cover a wider area than former Yugoslavia. It is suggested that they could be negotiated at a regional table within FSC.

2. Arms control

13. The study advocates that the first round of negotiations on control and verification measures be held within the framework of the International Conference on the Former Yugoslavia and involve only the successor States. The second round of negotiations on arms control measures - the introduction of ceilings which could involve reductions - should take place at a regional table within FSC and include the successor States and all immediate neighbours of the former Yugoslavia.

3. Territorial and minority rights issues

14. The study cautions that arms control by itself will not be effective in producing peace and stability if unsettled disputes concerning territories and borders remain and if substantial progress in minority rights is not made.

IV. SUCCESSION ISSUES

15. Twenty-two experts from all the parties participated in a session of the Working Group on Succession Issues chaired by Ambassador A. Jonsson and held at Geneva from 16 to 18 March 1994. The delegation of the Federal Republic of Yugoslavia (Serbia and Montenegro) presented its preliminary inventory as well as an outline of the methodology applied in preparing it. The preliminary inventory consisted of some 2,600 items comprising some 75 per cent of the total value of the assets.

16. The overall division process was discussed, including the question of valuation and the key of division. The questions of archives, outstanding non-allocated debts of the Socialist Federal Republic of Yugoslavia and war damages were also discussed.

17. On 6 May 1994 the Federal Republic of Yugoslavia (Serbia and Montenegro) provided an expanded version of its inventory comprising some 8,000 items.

18. Following intensive consultations, the Chairman of the Working Group concluded that a new initiative was called for. This conclusion was based, among other things, on the following considerations: (a) negotiations on State succession issues have been going on since the second quarter of 1992; (b) extensive work has been done in clarifying the positions of the parties and their interpretation of their rights and obligations under international law; and (c) much information on the underlying economic factors has been gathered.

19. Mindful of these considerations and the principles of the London Conference, and in the light of calls from several quarters, it was decided to develop a proposal that could help solve the succession problems. The Chairman of the Working Group intends to present the proposal in the form of a comprehensive draft succession treaty, regulating matters such as archives, citizenship, treaties, assets and liabilities on 1 August 1994. Accordingly, the parties were urged to provide before 1 July any information on legal or economic matters they deemed useful.

20. The Chairman of the Working Group intends to leave time for reflection after the 1 August presentation of the initiative. The parties will be asked to provide their comments and suggestions by 1 October 1994, shortly after which a meeting will be held at Geneva, to which the parties will be invited to present their views orally.

V. ETHNIC AND NATIONAL COMMUNITIES AND MINORITIES

21. The Working Group on Ethnic and National Communities and Minorities, under the Chairmanship of Ambassador G. Ahrens, has continued its activities, inter alia, in the former Yugoslav Republic of Macedonia. Cooperation with UNPROFOR and the CSCE mission continues to be excellent.

22. The Working Group's efforts in the former Yugoslav Republic of Macedonia have been more difficult in recent months owing to: political polarization that made it difficult to get measures adopted by Parliament; growing economic problems in the Republic; and a pre-election climate - elections are to be held later this year.

23. Against this background, the Working Group had separate contacts with the Government and with Albanian representatives, concentrating on matters where progress seemed possible before the elections. The recent visits of the Group to Skopje (7-8 January, 2-3 February, 20-23 April and 20-24 May) were relatively successful, and seven issues were identified where solutions were considered possible. The Government agreed on the selection of these issues:

(a) Census. For over one year, an International Census Expert Group formed by the International Conference on the Former Yugoslavia and the Council of Europe has been actively engaged in assisting in preparation for a census in the Republic. The census is necessary because widely different figures about the ethnic composition of the country's population create tensions. On 21 April 1994 the Conference received assurances from the Government that it would incorporate into the draft census law all the proposals made by the International Census Expert Group. On 18 May, the law was passed in Parliament and the Expert Group is now engaged in technical preparations. The Working Group on Ethnic and National Communities and Minorities visited the former Yugoslav Republic of Macedonia in the second week of June in order to explain the census to the population of different nationalities with a view to securing participation. The census began on 21 June. Representatives of the Conference will be present in Skopje throughout the census (21 June-5 July 1994);

(b) Print media. The Government had assured the International Conference on the Former Yugoslavia that it would very soon find the financial means to make the daily appearance of the Albanian language newspaper, Flaka E Vellazerimit, possible. It subsequently commenced daily publication at the beginning of June;

(c) Television. The Conference is expecting a proposal for initial financing of a separate television channel for emissions in language other than Macedonian. This plan will involve several phases so that the most important parts of the Republic might be covered first. The Government is in favour of

such a project, provided that initial financing comes from abroad. As soon as the Conference receives the proposals by Macedonian Television, it will approach possible donor countries and organizations;

(d) Radio. A parallel project, as for television, is being pursued for radio, which will be less costly than the television channel. The Government is prepared to support this project on the same basis as the television project;

(e) Pedagogical Academy. The Government has told representatives of the International Conference on the Former Yugoslavia that, as of the academic year 1994/95 there would be offered, at the existing Pedagogical Academy, training courses for Albanian language teaching in the arts, music, geography and history in classes from the fifth grade onward. The University Council had yet to be involved. The International Conference on the Former Yugoslavia will meet with the Chairman of the Council in Skopje soon;

(f) School materials and documentation. The Government informed the Conference that a new draft law had been sent to Parliament, according to which, in Albanian language classes, only the more important documentation and not the less important materials would have to be translated into Macedonian. As it is a general principle of law not to pursue offences once it is clear that the offence in question will no longer be punished according to legislation under preparation, the International Conference on the Former Yugoslavia has appealed to the competent authorities to stop the fining of Albanian teachers for not translating materials;

(g) National flags and symbols. There is agreement that Albanians may, under certain circumstances, show Albanian national flags, together with the flag of the Republic.

24. After the census, the International Conference on the Former Yugoslavia will continue discussions on a number of other issues which have been on the table for a while and include some difficult political questions relating to aspects of the Constitution and the Law on Local Self-Government.

VI. ECONOMIC ISSUES

25. The Working Group on Economic Issues reconvened on 28 and 29 March 1994. The meeting was called to discuss the role to be played by the International Conference on the Former Yugoslavia and the Working Group in the process of rehabilitation, reconstruction and development. At the outset the delegation of Slovenia made clear its intention not to participate fully in discussions concerning reconstruction but rather only to observe. The remaining delegations all shared the view that a role existed for some form of multilateral oversight of the process, while each expressed reservations relating to their own priorities and views of the preconditions for reconstruction. The Chairman of the Working Group, Mr. Jean Durieux, presented his idea of an ad hoc structure, created specifically for the needs of reconstruction with the double role of coordination and monitoring. This ad hoc structure would be multilateral and placed under the aegis of the International Conference on the Former Yugoslavia.

26. On the second day, the meeting was attended by representatives of UNPROFOR, the Office of the United Nations High Commissioner for Refugees (UNHCR) and the International Management Group, who contributed to a discussion on the rehabilitation of Sarajevo and the high-level cooperation committee convened by UNPROFOR each week, as well as other issues relating to the respective roles of the different interested parties.

27. The Working Group met again on 5 and 6 May with reconstruction on the agenda, and in particular the question of the organization to be established to ensure that the process is carried out in a coherent manner, making the most effective use of external public assistance and maximizing the contribution of private investment. The Working Group was also to consider what parts of its previous work remained relevant and could be used in the context of rapid implementation of a reconstruction programme.

28. After extensive discussion of the various positions, the delegations agreed on the general lines of a text prepared by the Chairman on the position of the Group regarding the questions posed by reconstruction. The delegations were to submit any proposed amendments in written form.

29. The next meeting of the Working Group was held on 6 and 7 June, when the agenda consisted of the following: a statement by each delegation on the state of advancement of economic reform in their country; presentations by representatives of the World Bank and the European Bank for Reconstruction and Development on their view of the problems posed by reconstruction; and the relations of the Group with the UNPROFOR Department of Civil Affairs, UNHCR and the International Management Group.

VII. HUMANITARIAN ISSUES

30. The Working Group on Humanitarian Issues, chaired by the United Nations High Commissioner for Refugees, Mrs. S. Ogata, has continued to function as a framework for reviewing the humanitarian situation in the former Yugoslavia with the different parties in the region, and with the governmental and intergovernmental actors supporting the international relief effort led by UNHCR.

31. In all countries of the region, this effort has helped large numbers of refugees, displaced persons and other victims in need of humanitarian assistance through the third winter of conflict in former Yugoslavia in spite of often enormous obstacles. In Bosnia and Herzegovina, the humanitarian situation has improved markedly since February, as a result of the Sarajevo cease-fire agreement and the cessation of hostilities between the Bosnian Government and Bosnian Croat forces. Freedom of civilian movement across some confrontation lines is gradually improving, thanks to agreements brokered by the Department of Civil Affairs of UNPROFOR and with the assistance of UNHCR. Though normal commercial traffic has not yet resumed, commercial goods have arrived in central Bosnia on convoys organized by local humanitarian organizations. UNHCR and other international humanitarian organizations have been able to operate convoys more smoothly than in the past, although security risks and obstruction of access remain.

32. Hostilities around the Maglaj pocket and the attacks on Gorazde in April, were serious setbacks encountered during the spring, which resulted in numerous casualties and new displacements. In both cases, humanitarian access to bring in relief supplies and to evacuate the wounded, could only be obtained after heightened international pressure. The International Committee of the Red Cross has continued to work towards the release of all civilian detainees. A matter of grave concern has been the reported ongoing risk of intimidation and violent harassment of Muslims and ethnic Croat civilians in north-western Bosnia and Herzegovina.

33. On 2 February, Mrs. Ogata briefed the Steering Committee of the International Conference on the Former Yugoslavia at Geneva on developments in the humanitarian field. From 14 to 17 March 1994 she travelled to the region and discussed humanitarian concerns with President Gligorov at Skopje, President Milosevic at Belgrade, President Bulatovic at Podgorica, President Izetbegovic at Sarajevo, members of the Croatian Government at Zagreb and local Croatian and Serb authorities on both sides of the front line in Sector West. Topics of discussion included the difficult situation in the former Yugoslav Republic of Macedonia; the effects of international sanctions on the most vulnerable; refugee protection issues in Serbia and Montenegro; convoy access to the Maglaj pocket and elsewhere in Bosnia and Herzegovina; the opening of Tuzla airport for humanitarian flights; continuing violations of human rights and, in that connection, the ongoing and vital need to grant refugees admission to safety; and the situation of displaced persons in Croatia, including their desire to return to their homes. At Sarajevo, Mrs. Ogata met with General Rose, and at Zagreb with Mr. Akashi, to review the important assistance provided by UNPROFOR to the international relief effort in Bosnia and Herzegovina.

34. Upon Mrs. Ogata's return on 18 March, the status of the international assistance effort was discussed at a meeting of the Working Group on Humanitarian Issues, held at Geneva with representatives of States from the region and of many countries and the United Nations and other organizations supporting or involved with the relief effort. Besides ongoing concerns, the positive developments in Sarajevo and in central Bosnia were noted, which could create conditions that open the way for rehabilitation and recovery assistance. It was also noted that rehabilitation and reconstruction would play an important role in creating conditions conducive to the return of refugees and displaced persons.

35. The latter complex issue was discussed in an informal meeting on temporary protection, held at Geneva on 23 March, where UNHCR advised Governments to improve further the standards of treatment of beneficiaries of temporary protection in the areas, for example, of family reunion and work, in view of the prolonged period of exile and pending further developments which could lead to return in safety and dignity.

36. On 11 May, following an assessment mission to the region, the Department of Humanitarian Affairs of the United Nations Secretariat and UNHCR launched a revised consolidated inter-agency appeal, for $532 million, representing the unmet requirements until the end of 1994 of the main United Nations agencies participating in the relief effort. It covers the cost of international humanitarian assistance in sectors such as food and nutrition, health, shelter,

domestic needs, community services and education, to 4.1 million beneficiaries in the five States of former Yugoslavia. As to Bosnia and Herzegovina, the appeal foresees continued relief assistance to displaced persons and other war-affected populations, but positive developments in parts of the country may allow a shift from dependency to self-sufficiency. Pending the consolidation and expansion of these developments, full donor support remains crucial. Constant reassessment of the needs is carried out to take the evolving situation fully into account.

VIII. PEACEMAKING IN THE UNITED NATIONS PROTECTED AREAS AND RELATED AREAS

37. At the beginning of January, negotiators of the International Conference on the Former Yugoslavia developed a strategy for the continuation of negotiations, based on a three-phased approach of cease-fire, followed by economic confidence-building measures, leading finally to negotiation of the political questions. This strategy had been agreed to by the parties in Norway in November 1993. The strategy and the associated negotiating arrangements were coordinated with UNPROFOR.

38. Following the signature at Geneva, on 19 January 1994 of an agreement on cooperation between Zagreb and Belgrade, the Conference negotiators became involved in intensive bilateral negotiations at Zagreb, Belgrade and Knin, on a number of economic issues and predominantly on the question of the opening of the Zagreb-to-Belgrade highway, which runs through United Nations Protected Area (UNPA) Sectors West and East. They identified the main problems to be resolved if the highway were to be opened and made significant progress towards a workable model, should the opening take place. Subjects such as the restoration of telephone links between Zagreb and Belgrade were also discussed. There were numerous contacts with the Sanctions Assistance Mission in Croatia to understand the implications of sanctions on the opening of communications routes and to ensure that these provisions were not inadvertently broken during the negotiation process.

39. After the local Serb elections on 23 January 1994, the Conference negotiators continued to concentrate on certain economic questions, seeking to define common ground between the parties. On the Croatian side, the main interest was in the opening of communications routes and major infrastructure, while on the Serb side, the interest was in the lifting of paragraph 12 of Security Council resolution 820 (1993) of 17 April 1993, thus allowing the Serbs to trade independently of the Government of Croatia. In addition to the negotiations on the opening of the Zagreb-to-Belgrade highway and other routes, the Conference negotiators attempted to start the process with a package dealing, inter alia, with preparation for the agricultural season, provision of seed, fertilizer and fuel to the Serbs and issues related to energy and water supplies, such as attempts to start with the return of generator poles to the Serbs in Obrovac and the restoration of the water supply by the Serbs to Zadar. The Serb side also demanded that pensions be paid by the Government of Croatia to those persons who had earned them before the outbreak of hostilities, and the Government showed interest in this.

40. During the latter half of February there were a number of incidents that raised tensions between the parties. In early March, negotiating activity centred on attempts to set up a two-day meeting with only military representation to agree on a cease-fire, and on efforts to arrange the removal of a Croatian patrol that had infiltrated Serb-held territory near Gospic and was then pinned down. On the economic side, the International Conference on the Former Yugoslavia arranged for the inspection by international experts of the Obrovac generator poles and the Zadar water supply system. The latter point was intended as a confidence-building measure and was the only one on which any progress was made, with a team of Norwegian experts conducting the inspections between 21 and 25 March.

41. On 22 March, the parties met at the Russian Embassy at Zagreb and started negotiations on a cease-fire. The negotiations were co-chaired by Ambassadors Eide and Ahrens of the International Conference on the Former Yugoslavia, assisted by military negotiators from the International Conference on the Former Yugoslavia and UNPROFOR. Russian Deputy Foreign Minister Churkin and United States Ambassador Galbraith also participated throughout the negotiations and made a significant contribution to the process. Progress was made, but the parties were unable to reach an agreement and there was an adjournment of one week.

42. On 29 March, the parties returned to the Russian Embassy at Zagreb and signed a cease-fire agreement after a long and very difficult session (S/1994/367, annex). At that time, they agreed to return to the Embassy two weeks later to commence negotiations on economic measures of common interest. However, a few days later the Serb side indicated that the Embassy was no longer acceptable as a venue. Therefore, the meeting scheduled for 12 April to commence economic negotiations had to be cancelled. Since then, the parties have been unable to agree on a venue for the negotiations.

43. In early April, the Conference negotiators, in cooperation with the Ambassadors of the Russian Federation and the United States of America at Zagreb, drafted a programme of economic measures to form the basis for the forthcoming negotiations. This working document was presented to the parties by the Conference negotiators, accompanied by the Ambassador of the Russian Federation, and was largely accepted by the Government of Croatia. However, on 10 April 1994, the local Serb authorities said that it did not reflect their position and that they would provide their own input. This has yet to be received. However, the Conference negotiators have repeatedly stated their readiness to include further Serb proposals in order to make the document as comprehensive and balanced as possible.

44. On 21 April, a new "Government" was formed at Knin. The Conference negotiators had their first contacts with the new local Serb interlocutors, meeting Mr. Mikelic, the new "Prime Minister", at Petrinje on 30 April and Mr. Babic, the new "Foreign Minister", at Belgrade on 4 May. Since then, they have continued to have a number of meetings with both sides in an attempt to find common ground on the question of a venue for economic negotiations. Eventually, agreement was reached on a meeting to be held at Plitvice. Efforts are under way to resolve disagreements on peripheral issues that have thus far kept the meeting from taking place.

IX. PEACEMAKING IN BOSNIA AND HERZEGOVINA

45. In paragraph 12 of the report submitted to the Security Council on 29 December 1993 by the Co-Chairmen of the Steering Committee (S/26922), the stage which peacemaking efforts in respect of the situation in Bosnia and Herzegovina had reached was summarized as follows:

> "(a) There is agreement among all three sides that Bosnia and Herzegovina should be organized as a Union of three republics;
>
> "(b) There is agreement that the Muslim-majority Republic should have 33.3 per cent of territory and the Croats should have 17.5 per cent;
>
> "(c) At Brussels on 23 December, the Co-Chairmen appealed to all three sides to observe a holiday truce to cover the period 23 December to 15 January. All three leaders accepted this appeal and undertook to give instructions to their military commanders down to the local level to observe the cease-fire faithfully;
>
> "(d) The three sides have agreed to return to Geneva on 15 January 1994 to continue the search for peace;
>
> "(e) Working Groups have been established to look into the following issues and to help reach agreement on them by 15 January:
>
> "(i) The definition of the Mostar city area that would be placed under the temporary administration of the European Union;
>
> "(ii) Technical arrangements for providing the Muslim-majority Republic with road and rail access to Brcko and the Sava river, without prejudice to the Muslim-majority Republic's continued support for the arrangements agreed on the HMS Invincible;
>
> "(iii) Access of the Muslim-majority Republic to the sea;
>
> "(iv) Continued discussions between Mr. Silajdzic and Mr. Krajisnik on territorial delimitation."

46. During a resumed round of talks on 18 and 19 January, a map proposed by the Bosnian Serbs was on the table offering the Muslim-majority Republic 33.56 per cent while the Bosnian Serbs and the Bosnian Croats declared their willingness to pursue discussions to settle between them the delimitation of territory so as to assure the Bosnian Croats 17.5 per cent.

47. In paragraph 8 of their report to the Security Council dated 21 January 1994 (S/1994/64), the Co-Chairmen reported the following:

> "President Izetbegovic acknowledged that the Muslim-majority Republic was being offered 33.56 per cent. He submitted, however, that the map should be altered so as to include in the territory allocated to the Muslim-majority Republic certain areas in eastern and western Bosnia where the Muslims had been in the majority before the outbreak of the conflict,

as well as certain areas in central Bosnia, while keeping within the target of 33.3 per cent."

48. The Co-Chairmen consulted the parties concerning an arbitration procedure for breaking the impasse. After those consultations, the Co-chairmen submitted to the parties as procedure, whereby the disputed territory could be referred to an arbitration commission whose recommendations would then go to the Security Council. The Bosnian Serbs and the Bosnian Croats were willing to accept these procedures. President Izetbegovic rejected them because too many areas of importance to the Muslim-majority Republic would be left unresolved and they were unwilling to have Serb or Croat forces remaining in the disputed territories, which they consider should be a part of their Republic.

49. At another round of talks on 12 February the Co-Chairmen tried a number of avenues to get the parties to move towards agreement on the territories still under dispute. They first invited the parties to indicate whether the number of disputed areas could be reduced. This did not prove possible. The Co-Chairmen then invited the parties to consider whether it might be possible to move to a peace agreement by arranging for some of the areas to be treated as protected areas, while a few of them could be placed under international administration. These possibilities were kept open, but discussion of them was affected by the Bosnian Serbs' contention that the Bosnian Presidency, having agreed to 33.3 per cent, was trying to pocket the 33.56 per cent already offered and still to maintain a list of disputed areas. A similar contention was put forward by the Bosnian Croats who asked for recognition also from the Bosnian Muslims that they should have 17.5 per cent of the territory. The Bosnian Presidency, however, maintained its claims. It added that it could only accept the Croats having 17.5 per cent on the condition that it was not prejudicial to the Presidency's claims.

50. The Co-Chairmen again consulted the parties on the proposed arbitration procedure. All three sides said that they accepted the concept of arbitration, but the Bosnian Presidency maintained its position that before an arbitration procedure could be used there should be withdrawal of military forces from the areas in question. The Bosnian Croats and the Bosnian Serbs accepted that there needed to be a withdrawal of forces, accompanied by the insertion of United Nations civilian police, in order to encourage people who lived there before the war to return, but that the areas had to be within the provisional boundaries of the Republics. The Bosnian Presidency maintained that the disputed areas could not be considered as falling within the provisional boundaries of the Republics.

51. The Co-Chairmen consulted the parties on other possible avenues for overcoming the hurdle over the disputed territories. Among the possibilities mentioned was the establishment of an International Joint Control Commission whose task would be to ensure that nothing was done in any of the disputed areas to alter their character or status, or which could be prejudicial to their eventual allocation while the arbitration procedure functioned. Another possibility mentioned was referral of the disputed areas to the Security Council or to a group of members of the Council. The parties were asked to suggest other possible procedures for reaching agreement on the outstanding territorial issues. No such suggestion was forthcoming.

52. In the circumstances, it was agreed that the parties should consult bilaterally and should also have discussions with the special envoys of the Russian Federation and the United States of America. In the light of those further consultation, the Co-Chairmen would assess the situation with a view to inviting the parties back to Geneva for further talks.

53. Subsequently, the Bosnian Muslims and the Bosnian Croats held discussions in Vienna and Washington, D.C., and on 1 March, the following agreements were signed by Dr. Silajdzic, Prime Minister of the Republic of Bosnia and Herzegovina, Dr. Granic, Deputy Prime Minister and Minister for Foreign Affairs of the Republic of Croatia, and Mr. Zubak, Head of the Bosnian Croat delegation (S/1994/255):

(a) Framework Agreement establishing a Federation in the Areas of the Republic of Bosnia and Herzegovina with a Majority Bosniac and Croat Population;

(b) Outline of a Preliminary Agreement for a Confederation between the Republic of Croatia and the Federation.

54. After further negotiations between the same delegations in Vienna and Washington, the "Constitution of the Federation of Bosnia and Herzegovina" was signed in Washington on 18 March. The Constitution provides that:

> "Bosniacs and Croats, as constituent peoples (along with others) and citizens of the Republic of Bosnia and Herzegovina, in the exercise of their sovereign rights, transform the international structure of the territories with a majority of Bosniac and Croat population in the Republic of Bosnia and Herzegovina into a Federation, which is composed of federal units with equal rights and responsibilities."

It further provides that:

> "The decisions on the constitutional status of the territories of the Republic of Bosnia and Herzegovina with a majority of Serb population shall be made in the course of negotiations towards a peaceful settlement and at the International Conference on the Former Yugoslavia."

The constitution of the Federation was subsequently approved by the Assembly of the Republic of Bosnia and Herzegovina, acting as the Constituent Assembly of the Federation; consequently, the Constitution entered into force. Follow-up agreements were signed at Vienna on 11 May.

55. With a view to facilitating further negotiations among the parties to the conflict in Bosnia and Herzegovina, consultations were undertaken on the establishment of a Contact Group that would work together with the parties to help bring about a comprehensive settlement. The Contact Group, as eventually established, consists of representatives of the Russian Federation and the United States of America and designees from the International Conference on the Former Yugoslavia, representing both the United Nations and the European Union. The Conference designees are representatives from France, Germany and the United Kingdom of Great Britain and Northern Ireland, as well as a legal adviser from the secretariat of the International Conference on the Former Yugoslavia. The

Contact Group held its first round of discussions with representatives of the parties on 25 and 26 May. Since then, it has met on its own and has also had further contacts with the parties.

56. The members of the Contact Group have been guided by the past work done within the International Conference on the Former Yugoslavia, by the European Union Action Plan and by the communiqué issued by the Foreign Ministers of Belgium, France, Germany, Greece, the Russian Federation, the United Kingdom and the United States, who met at Geneva on 13 May (see S/1994/579, annex). The Co-Chairmen of the Steering Committee had an exchange of views with the Foreign Ministers on that occasion.

57. The Contact Group has thus far concentrated on the preparation of a map for the allocation of territory on the basis of 51 per cent for the Bosniac-Croat Federation and 49 per cent for the Bosnian Serbs; discussion of future constitutional arrangements; and the development of incentives and disincentives to encourage acceptance of a peace package and to discourage rejection thereof.

58. The Foreign Ministers of France, Germany, Greece, the Russian Federation, the United Kingdom and the United States met at Geneva on 5 July and considered recommendations of the Contact Group. The Ministers welcomed the territorial proposal developed by the Contact Group and directed it to present the proposal to the representatives of the Bosnian Government and the Bosnian Serbs. The Ministers strongly supported the territorial proposal "as a reasonable basis for an immediate political settlement". The Ministers considered that the proposal "represents an important moment of opportunity, which may not come again". They said they were united in the belief that the war could be ended now and that the consequences of failing to do so would be grave.

59. The territorial proposals of the Contact Group, together with indications of incentives and disincentives, were communicated to delegations of the Bosnian Government and the Bosnian Serbs on 6 July at Geneva. They have been asked to give their response within two weeks.

60. The Ministers indicated that there were important incentives for the parties to accept the proposed map. They said that for the Bosnian Government they were ready to assist in the implementation of a territorial settlement and to help with reconstruction, and that for the Serbs, sanctions would be suspended geared to their pullback to the lines indicated on the map.

61. The Ministers further indicated that if the parties did not agree they could expect more pressure to be applied. In particular, existing Security Council resolutions concerning safe areas would be rigorously enforced. They said that the necessary planning was being undertaken. The Ministers added that as a last resort, a decision in the Security Council to lift the arms embargo could become unavoidable and that would have consequences for the presence of UNPROFOR.

62. The Ministers called upon the parties to observe and prolong the cease-fire and to refrain from military action.

63. The Ministers agreed to meet again before the end of July.

Appendix

Financial status of the International Conference on the Former Yugoslavia as at 30 April 1994

(rounded to the nearest $100)

	US$
I. Contributions received	
First financial period - six months (total budget $3,374,000)	3 096 700
Second financial period - six months (total budget $2,710,000)	2 329 200
Third financial period - six months (total budget $2,028,000)	1 196 100
Fourth financial period (has not been budgeted or assessed)	-
Fifth financial period - six months (total budget $1,600,000)	-
Total contributions	6 622 000
II. Estimate of expenditures and commitments not including programme support costs	
First financial period	2 531 800
Second financial period	1 513 800
Third financial period	1 594 500
Fourth financial period	357 200
Fifth financial period	-
Total expenditures	5 997 300